

FY22 GENERAL FUND PRELIMINARY BUDGET PROJECTIONS

Finance Department

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Director



PROPOSITION 2 ½

- What is Proposition 2 ½?
 - Proposition 2 ½ is a voter initiative law that limits the property tax levy of cities and towns that came into effect in 1982.
- What is the Property Tax Levy?
 - The property tax levy is the revenue a community can raise through real and personal property taxes. The property tax levy is the largest source of revenue for most cities and towns.
 - In Nantucket the tax levy represents approximately 85% of all General Fund Revenue.
- How is the Levy Limit Calculated?
 - A levy limit for each community is calculated annually by the Department of Revenue. It is important to note that a community's levy limit is based on the previous year's levy limit and not on the previous year's actual levy.

PROPOSITION 2 ½

- How is the Levy Limit Increased?
 - Allowable 2.5 percent increase
 - New Growth
 - Overrides (Permanent increases to Levy Limit)
 - Temporary Exclusions
 - Debt Exclusions
 - Capital Exclusions

FY22 LEVY LIMIT

FY2022 Revenue Projection:

	FY22 Projected	FY21 Projected
FY2021 Lewy Limit (PROJECTED)	80,630,472	77,688,262
2.5% Increase	2,015,760	1,942,210
New Growth	700,000	1,000,000
FY22 Allowable Levy Limit	83,346,232	80,630,472
Debt Exclusion - Current	8,824,241	8,831,295
FY2021 Maximum Allowable Levy	92,170,473	89,625,544

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LOCAL RECEIPTS

- Local Receipts are projected to increase by 16% over FY2021 revised estimates

II. LOCAL RECEIPTS	<i>FY2021 REVENUE PROJECTION (Original)</i>	<i>FY2021 REVENUE PROJECTION (Revised)</i>	<i>FY2022 REVENUE PROJECTION</i>
1. Motor Vehicle Excise Taxes	2,900,000	2,275,000	2,250,000
2. Other Excise Taxes - Rooms	4,000,000	1,600,000	2,000,000
2. Other Excise Taxes - Meals	1,001,800	-	350,000
2. Other Excise Taxes - Boat	-	-	30,000
3. Penalties & Interest on Taxes and Excises	475,000	475,000	475,000
4. Payments in Lieu of Taxes	8,000	8,000	8,000
5. Charges for Services	29,000	29,000	29,000
6. Fees	894,300	693,300	693,300
7. Rentals	520,700	317,200	385,212
8. Other Departmental Revenue	199,958	275,548	275,548
9. Licenses and Permits	1,495,100	623,600	891,350
10. Fines and Forfeits	290,000	290,000	265,000
11. Investment Income	275,000	200,000	250,000
12. Miscellaneous Recurring	-	-	-
13. Miscellaneous Non-Recurring (Indirect Costs)	-	-	-
Total Local Receipts	12,088,858	6,786,648	7,902,410

FY22 REVENUE PROJECTIONS

	<i>FY2021 REVENUE PROJECTION (Original)</i>	<i>FY2021 REVENUE PROJECTION (Revised)</i>	<i>FY2022 REVENUE PROJECTION</i>
GENERAL FUND REVENUE SUMMARY			
I. TAXES- REAL ESTATE AND PERSONAL PROPERTY	89,625,544	89,625,544	92,170,473
Less: Abatements & Exemptions	-	-	(400,000)
II. LOCAL RECEIPTS	12,088,858	6,786,648	7,902,410
1. Motor Vehicle Excise Taxes	2,900,000	2,275,000	2,250,000
2. Other Excise Taxes (Meals, Room, Boat)	5,001,800	1,600,000	2,380,000
3. Penalties & Interest on Taxes and Excises	475,000	475,000	475,000
4. Payments in lieu of Taxes	8,000	8,000	8,000
5. Charges for Services	29,000	29,000	29,000
6. Fees	894,300	693,300	693,300
7. Rentals	520,700	317,200	385,212
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11. Investment Income	275,000	200,000	250,000
12. Miscellaneous Recurring	-	-	-
13. Miscellaneous Non-Recurring (Indirect Costs)	-	-	-
	-		
III. STATE LOCAL AID	3,880,203	3,046,068	3,880,200
TOTAL GENERAL FUND REVENUE - PROJECTED	105,594,605	99,458,260	103,553,083

HISTORICAL ACTUAL REVENUE

- FY2016 – FY2020 Actual

	FY2016	FY2017	FY2018	FY2019	FY2020	CAGR
Real Estate & Property Taxes	69,288,111	74,166,729	78,242,069	80,038,594	82,955,094	4.6%
Allowance for Abatements	(985,952)	(981,500)	(423,438)	(609,195)	(273,009)	(27.5%)
Excise Tax - Motor Vehicles	2,674,907	2,753,546	2,953,243	3,338,861	2,946,898	2.5%
Other Excise Tax- Boat Excise Tax	36,132	33,277	37,136	35,559	36,371	0.2%
Other Excise Tax- Rooms Tax	3,428,604	3,498,400	3,622,242	3,807,930	5,553,749	12.8%
Other Excise Tax- Meals Excise tax	997,903	1,061,396	1,102,316	1,168,641	1,141,414	3.4%
Penalties and Interest on Taxes and Excises	657,302	686,444	584,171	605,322	587,727	(2.8%)
Payment in Lieu of Taxes	33,231	14,706	8,794	8,067	12,066	(22.4%)
Charges for Services	35,103	35,871	32,522	39,648	29,438	(4.3%)
Fees	953,023	1,062,236	1,064,975	1,041,174	855,974	(2.6%)
Rentals	743,995	489,713	708,532	678,913	660,077	(2.9%)
Other Departmental Income (1)	1,065,369	245,385	607,672	257,246	864,247	(5.1%)
License & Permits	1,712,508	1,698,581	1,614,695	1,649,134	1,323,342	(6.2%)
Fines and Forfeits	238,387	299,237	315,027	362,362	284,336	4.5%
Investment Income	159,743	135,292	238,949	342,299	436,896	28.6%
Miscellaneous Recurring Income (RDS Retiree Drug Subsidy)	11,388	-	-	-	-	(100.0%)
Miscellaneous Non-Recurring Income (Indirect Costs, transfers)	301,457	629,765	619,697	827,409	616,300	19.6%
State Local Aid	3,188,722	3,287,323	3,356,737	3,531,908	3,933,911	5.4%
Total Revenues	84,539,933	89,116,401	94,685,339	97,123,872	101,964,830	5.27%

FY22 PRELIMINARY EXPENDITURES

GENERAL FUND EXPENSE SUMMARY	FY2021	FY2022
	APPROVED BUDGET	BUDGET PROJECTION
Salaries - Town	20,971,615	20,971,615
Salaries - School	25,985,636	25,985,636
Transfer to Community School	550,000	550,000
Salaries - Town & School	47,507,251	47,507,251
Operating Expenses - Town	7,126,808	7,269,344
Operating Override - 2011 Mosquito Control	168,501	172,714
Operating Expenses - School	5,311,006	5,417,226
Transfer to Community School	-	-
Operating Expenses - Town & School	12,606,315	12,859,284
Medical Insurance- Active Employees (1)	10,165,667	11,182,233
Medical Insurance- Retired Employees	3,210,210	3,531,232
Medical Insurance	13,375,877	14,713,465
Laborer's Union Pension	45,778	75,000
Workers' Compensation & Life Insurance	273,680	301,048
Compensation Unemployment	175,000	175,000
General Insurance (other)	2,131,048	2,557,258
General & Other Insurance	2,625,506	3,108,306
Retirement	5,203,970	5,646,307
Debt Service	9,310,589	9,371,174
Debt Service New Exclusions	-	-
Debt Service - Principal & Interest	9,310,589	9,371,174
TOTAL GENERAL FUND OPERATING EXPENSES - PRELIMINARY	90,629,508	93,205,787

FY22 PRELIMINARY EXPENDITURES

	FY2021 APPROVED BUDGET	FY2022 BUDGET PROJECTION
Other Articles - Includes Special Fund Transfers	2,353,951	2,794,347
General Fund Transfers to Enterprise Funds		
Transfer to Our Island Home	-	3,500,000
Transfer to Solid Waste Enterprise Fund (SWEF)	3,654,113	3,745,466
Add'l General Fund Subsidy to SWEF 2012-Forward	2,690,272	2,757,529
Add'l General Fund Subsidy to SWEF-Landfill Mining		-
TOTAL OTHER ARTICLE APPROPRIATIONS	8,698,336	12,797,342
Other Statutory Expenditures	984,563	1,009,177
TOTAL GENERAL FUND EXPENSES - PRELIMINARY	100,312,407	107,012,305
TOTAL PROJECTED REVENUE	-	103,553,083
TOTAL PROJECTED EXPENSES		107,012,305
PROJECTED EXCESS LEVY CAPACITY		<u>(3,459,222)</u>

FY22 PRELIMINARY EXPENDITURES

GENERAL FUND - OTHER ARTICLES	FY2020	FY2021
	APPROVED BUDGET	EXPENSE PROJECTION
Unpaid Bills	-	-
County Assessment	170,201	170,201
Health and Human Services	650,000	650,000
Reserve Fund	500,000	500,000
Other Post-Employment Benefits Trust Fund (OPEB)	-	500,000
Affordable Housing Trust Fund	-	-
Minimum Capital Funding Requirement (1)	1,033,750	974,146
TOTAL GENERAL FUND OTHER ARTICLES	2,353,951	2,794,347

HISTORICAL ACTUAL EXPENSES

- FY2015 – FY2019 Actual

	FY2016	FY2017	FY2018	FY2019	FY2020	CAGR
Salaries - Town	15,948,830	15,399,290	16,940,236	18,625,578	19,897,406	5.7%
Salaries - School	20,069,314	19,258,197	21,775,190	23,180,307	24,656,590	5.3%
Transfer to Community School	350,000	400,000	400,000	450,000	500,000	9.3%
Operating Expenses - Town	5,507,911	5,650,923	7,432,015	6,606,154	6,577,626	4.5%
Operating Override - 2011 Mosquito Control	89,662	89,548	111,833	125,756	131,045	10.0%
Operating Expenses - School	5,017,328	4,510,580	6,293,542	5,800,498	5,183,038	0.8%
Transfer to Community School	-	65,000	65,000	-	-	na
Medical Insurance	10,271,769	10,171,618	10,417,085	11,206,133	12,495,203	5.0%
Other Group Insurance	156,094	373,971	416,967	394,309	215,022	8.3%
General Insurance (other)	1,258,636	1,159,798	1,069,608	1,178,579	1,387,540	2.5%
Debt Service	6,434,038	6,784,405	8,268,434	7,125,456	8,912,852	8.5%
Retirement	3,567,128	3,921,256	4,096,124	4,420,538	4,750,913	7.4%
Total General Fund Operating Budget Items	68,670,710	67,784,585	77,286,034	79,113,308	84,707,235	5.4%
Other Articles & Special Revenue Fund	1,825,461	3,142,040	2,572,708	2,325,648	2,094,457	3.5%
Enterprise Fund Transfers	7,805,000	9,892,785	8,503,664	8,250,970	8,465,845	2.1%
						na
Other Statutory Expenditures (Cherry Sheet Offsets)	421,335	433,373	487,846	481,079	513,116	5.1%
Total Appropriations and Other Statutory Expenditures	78,722,506	81,252,783	88,850,252	90,171,005	95,780,653	0.9%

To Be Determined

- Free Cash
 - Town expects Free Cash to be certified the week of October 9, 2020
- Local Receipts (Q1/FY22)
 - Impact of Local Option Rooms Tax and Meals Tax
- Union Negotiations
- Health Insurance
- Retirement Assessment
- Local Aid
- Year-Round NRTA
- Potential Override (Our Island Home)
- PFAS
- Cape and Islands Water Protection Fund
- Wastewater Infrastructure Improvement Fund (WIIF)

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